



Dividend Distribution Policy

Jayant Agro-Organics Limited

Dividend Distribution Policy:	Version- 1	
Approved by:	Board of Directors	
Issue Date:	Effective Date: 30/06/2021	Amendment date:



JAYANT AGRO-ORGANICS LIMITED

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1. Introduction

This Policy is called “Jayant Agro-Organics Limited – Dividend Distribution Policy” (hereinafter referred to as “Policy”) and shall be effective from the Effective Date.

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, Jayant Agro-Organics Limited (hereinafter referred to as “the Company”) is required to frame this Policy.

2. Objective

This policy aims at ensuring compliance with the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing regulations”) including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

3. Circumstances under which the Shareholders may or may not expect Dividend

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital after taking into account the Micro-Macro-economic environment materially affecting the businesses in which the Company is engaged, in the geographies in which the Company operates or other factors which may be considered by the Board.

4. Target Dividend Payout

- 4.1. Dividend will be declared out of the current year’s Profit after Tax of the Company.
- 4.2. Only in exceptional circumstances including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.
- 4.3. ‘Other Comprehensive Income’ (as per applicable Accounting Standards) which mainly comprises of unrealized gains / losses, will not be considered for the purpose of declaration of dividend.



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5. Factors to be considered for Dividend Payout

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividend:

- Stability of earnings;
- Cash flow position from operations;
- Future capital expenditure, inorganic growth plans and reinvestment opportunities;
- Industry outlook and stage of business cycle for underlying businesses;
- Leverage profile and capital adequacy metrics;
- Overall economic environment – Contingent liabilities;
- Past dividend trends;
- Buyback of shares;
- Contingency plans;
- Regulatory, Technological changes;
- Any other relevant facts and material events

6. Utilization of Retained Earnings

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

7. Amendments

The Board may from time to time make amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review. In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail.